



## T R E A S U R E R

### MEDIA RELEASE

# **New evidence: O'Farrell's push to axe stimulus would devastate NSW economy**

NSW Treasurer Eric Roozendaal today welcomed further evidence of the success of federal and state stimulus packages – despite the Coalition's push to cut economic support.

Mr Roozendaal told the NSW Parliament that Federal Opposition leader Malcolm Turnbull and State Opposition leader Barry O'Farrell's plans to wind back the stimulus packages would have a devastating effect on the NSW economy.

Mr Roozendaal cited a speech in Brisbane yesterday by the Federal Treasury Secretary Dr Ken Henry, who said the stimulus has contributed about 2 per cent to Australia's growth through the year to the June quarter:

**"I would caution against the conclusion that the success of the stimulus to date is an argument for winding back that which is still in the pipeline.**

**"Withdrawing the stimulus more quickly would risk stalling the economy and causing a steeper rise in the unemployment rate."**

- Dr Ken Henry, September 23, 2009

Mr Roozendaal told State Parliament: "Dr Henry is 100 per cent right – despite the Opposition's reckless calls, the NSW Government will not roll back our job-supporting \$62.9 billion infrastructure stimulus package.

"Not even a dust storm can blow away the green shoots of recovery in NSW.

"If the Coalition got their way and stimulus spending had been wound back, we would be in a worse situation."

"This is just another example of Barry O'Farrell talking down NSW, looking for a cheap political headline at the expense of future economic growth."

Mr O'Farrell is on the record in wanting to wind back the stimulus packages:

**Q: What's your view (on winding back the stimulus)?**

**A: There should be a raincheck to determine whether or not the expenditure should continue at the rate it is.**

**Because as Joe Hockey's argued, as Malcolm Turnbull's argued – ultimately it can have an impact on interest rates; it will have an impact on the debt that future generations have to pay back.**

- Barry O'Farrell, Meet the Press, Channel 10, September 6, 2009

"Mr O'Farrell is backing Malcolm Turnbull – how absurd," Mr Roozendaal said.

“They are acting like reckless and stupid economic vandals – a position that would cause the economy to contract, that would smash business confidence into the ground and put people out of work.

“Every major economy and global economic institution has supported the use of stimulus measures - but all Mr O’Farrell is doing is talking down the economy.

“The NSW Government is delivering our infrastructure stimulus package as fast as we possibly can.

“The NSW Government’s \$62.9 billion infrastructure stimulus package is absolutely the right way to go to keep our economy strong and support jobs. This four-year building program will support up to 160,000 jobs a year.”

The NSW Government continues to support jobs and business in NSW, including:

- US retail giant Costco is planning an expansion into NSW with its first warehouse at Auburn to support at least 200 jobs;
- JB Hi-Fi will open a further 17 new stores over three years, creating 765 jobs; and
- Bunnings will create more than 700 jobs in NSW and invest \$148 million into the State economy with six new Bunnings
- Myer will open a further three new stores in NSW between now and 2013; and
- Macquarie University’s \$1.7 billion commercial and education hub will support up to 4000 jobs.

**September 24, 2009**

MEDIA CONTACT

Stavro Sofios

(02) 9228 3535